

Just in Time

ESAs: The Work Programme 2025

November 2024



Executive Summary

The **2025 Work Programme** of the **Joint Committee of European Supervisory Authorities (ESAs)** focuses on coordination initiatives between the main EU financial regulators.

The document identifies the **main priorities of the year**, aimed at improving **financial stability** and **consumer protection** in a context of **growing economic** and geopolitical risks.

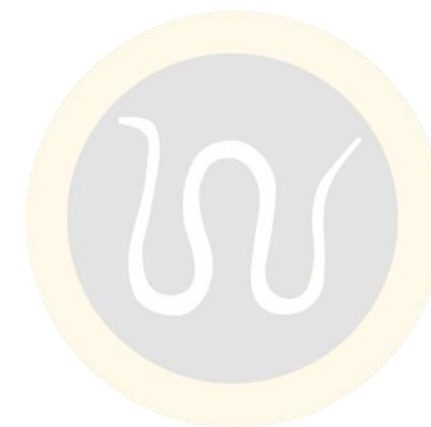
A deep dive has been given to the **EBA's work programme**. EBA adopted some priorities for a three-year horizon: EU Single Rulebook, financial stability, data, DORA oversight and MiCAR supervision, as well as conduct and AML/CFT.



At a Glance

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Keywords: ESG Risk, Governance, Fintech,
Financial Innovation



01

Introduction



Introduction

Through the **Joint Committee of the European Supervisory Authorities (the ESAs)**, the three ESAs, namely the European Banking Authority (**EBA**), the European Insurance and Occupational Pensions Authority (**EIOPA**) and the European Securities and Markets Authority (**ESMA**), regularly and closely **liaise to strengthen their cooperation**.

In 2025, The **Joint Committee will:**

Sustainable Finance

- Required to **contribute more guidance on sustainability disclosures under the SFDR Delegated Regulation** and a **report** by the three ESAs on the **principal adverse impacts under Article 18 of SFDR**.
- The ESAs may start **work on new technical standards relating to ESG rating disclosures** introduced into Article 13 SFDR by the recently agreed Regulation on ESG Ratings.

- Step up its **efforts in the area of the EC's Digital Finance Package**, focusing on the set-up and **operationalization of the EU-wide Oversight Framework for ICT Critical Third-Party Providers (CTPPs)** and **launch their new oversight activities in accordance with the Digital Operational Resilience (DORA) Regulation**.
- The ESAs will finalise remaining **policy mandates, engage in supervisory convergence work, develop cooperation mechanisms**, and **implement the EU systemic cyber incident coordination framework (EU-SCICF)**. Finally, the ESAs will **develop the necessary IT infrastructure to support the direct DORA oversight tasks and incident reporting**.

Digital Operational Resilience

Consumer Protection and Financial Innovation

- publish the **annual list of financial conglomerates** and work on **specific conglomerates' reporting templates**.
- Through the European Forum for Innovation Facilitators (EFIF), the Joint Committee will further **promote coordination and cooperation among national innovation facilitators to foster the scaling up of innovation in the financial sector** across the EU in line with the EC's Digital Finance Strategy.
- The Joint Committee will also **address other cross-sectoral matters such as the mandates and questions (Q&As) related to PRIIPs, and the Securitisation Regulation (SECR)**.

- Continue to fulfil their mandate on the **mapping and monitoring of on external credit assessment institutions (ECAIs) under the Capital Requirements Regulation and Solvency II**.

Other cross-sectoral matters

02

Specific Area of ESAs Work

Focus on Digital Operational Resilience

Focus on Consumer Protection and Financial Innovation

Focus on Sustainable Finance

Focus on Other Cross-sectoral Matters



Specific Area of ESAs Work 1/4

Focus on Digital Operational Resilience

The Joint Committee will continue to have a strong **focus on the DORA** work and coordinate the **implementation** of the **digital operational resilience act (DORA)** which will apply as of mid-January 2025. Thus, the ESAs will **focus on supervisory convergence work on the application of DORA framework**.

Description

- The Joint Committee, after having finalised most DORA technical standards, reports and guidelines will then deliver a **feasibility study** on a potential centralization of major **ICT-related incidents** by mid-January 2025.
- ESAs will keep working on **supervisory convergence** to facilitate **harmonized** implementation of the **DORA framework**.
- the ESAs will start **overseeing designated critical third-party ICT service providers (CTPPs)**.
- Furthermore, **two reports** related to the ESRB recommendations on an EU systemic cyber incident coordination framework will also have **to be delivered**.

Expected Outputs

- **Supervisory convergence** in relation to DORA and its mandates.
- Feasibility Study on a potential further centralisation of **ICT incident reporting** through an EU Hub.
 - **Joint Oversight framework** and start of the oversight activities.
 - **A2 Report** on EU systemic cyber incident coordination framework.
 - Q&As and other Level 3 tools.

Specific Area of ESAs Work 2/4

Focus on Consumer Protection and Financial Innovation

The Joint Committee **enhances confidence** and **strengthens** the **protection of European consumers** in relation to banking, insurance and pensions and securities products.

PRIPs Key Information Document (KID)	Financial Education
<ul style="list-style-type: none"> During 2025 the ESAs expect to work on drafting RTS based on the empowerments in the proposed amendments to the PRIIPs Regulation in the EC's Retail Investment Strategy. The ESAs also stand ready to provide advice or any input requested by the EC and co-legislators. Work will continue to promote supervisory convergence and give competent authorities and market participants further guidance on the practical application of the PRIIPs rules. The ESAs will also report on the administrative sanctions or measures imposed under the PRIIPs Regulation during 2024 based on the information submitted by national competent authorities. 	<ul style="list-style-type: none"> The ESAs have carried out extensive financial education work in recent years to fulfil their respective objectives of coordinating financial education and literacy initiatives of national authorities. . This has led to the development of a repository of national education initiatives on digitalisation with a focus on cybersecurity, fraud and scams and a resultant report. The ESAs will continue and build on this work, by identifying topical areas where the risk of consumer detriment can be credibly reduced by educating consumers and addressing information asymmetries between them and financial institutions. Potential areas of focus could be artificial intelligence and measurement of the impact of financial education initiatives.
Expected outputs	Expected outputs
<ul style="list-style-type: none"> Possible Advice to the EC or RTS Annual reporting on sanctions Q&As and other Level 3 tools 	<ul style="list-style-type: none"> Reports, workshops, leaflets and other suitable means and channels

Specific Area of ESAs Work 3/4

Focus on Sustainable Finance

Sustainability-related disclosures in the financial services sector (SFDR)	Joint Guidelines on ESG stress testing
<ul style="list-style-type: none"> ▪ The ESAs will deliver their fourth annual report under Article 18 SFDR regarding the extent and quality of principal adverse impact (PAI) disclosures under the Sustainable Finance Disclosure Regulation (SFDR). ▪ The ESAs will monitor the practical application of the SFDR, especially the SFDR Delegated Regulation, to determine if Q&As or other level 3 tools to promote supervisory convergence are needed to give competent authorities and market participants further guidance on the practical application of the SFDR rules. ▪ The ESAs may start work on technical standards related to ESG rating disclosures on websites. ▪ Finally, the ESAs may be asked by the Commission to contribute advice to their review of SFDR. 	<ul style="list-style-type: none"> ▪ The ESAs have been mandated through CRD6 and Solvency II to “develop guidelines to ensure that consistency, long-term considerations and common standards for assessment methodologies are integrated into the stress testing of ESG risks” by January 2026 (according to CRD6). ▪ These guidelines should foster consistency in climate stress testing approaches throughout the European financial sector.
Expected Outputs	Expected Outputs
<ul style="list-style-type: none"> ▪ Annual report under Article 18 SFDR covering the PAI indicators ▪ Consultation paper on the draft RTS on ESG rating disclosures <ul style="list-style-type: none"> ▪ Contribution to the Commission's review of SFDR 	<ul style="list-style-type: none"> ▪ Guidelines on high-level principles to carry out climate stress testing

Specific Area of ESAs Work 4/4

Focus on Other Cross-sectoral Matters



Risk Assessment

The ESAs will jointly assess **key trends and vulnerabilities to financial stability and continue to produce**, targeted cross-sectoral risk analysis in addition to their **respective sectoral risk analysis**.



Other joint work

The Joint Committee will also address **other cross-sectoral matters** such as (i) **Joint Consumer Protection Day**, (ii) **European Single Access Point**, (iii) **Exchange of information on fit and proper assessments**, (iv) **EMIR bilateral margining** and (v) **Supervisory independence of competent authorities**.



Securitisation

In view of the **second report** on the functioning of the securitisation regulatory framework under Article 44 of SECR in Q4 2024, in 2025, the **JCSC will launch follow-up work on that JC report including any required technical advice or opinion**. Furthermore, the JCSC will **continue its efforts to provide a consistent approach to cross-sectoral questions stemming from the SECR** and will assess concrete cases in relation to the supervision and enforcement of the SECR.



European Forum for Innovation facilitators (EFIF)

Under the framework of the Joint Committee, the ESAs will continue to **work to strengthen communication and coordination between national innovation facilitators via the EFIF**.

The details of EFIF activities for 2025 will be outlined in a **more detailed EFIF Annual Work Programme** which will be presented to the Joint Committee for the adoption later this year.



Financial Conglomerates

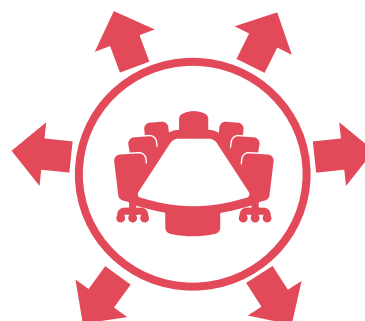
The ESAs will continue to **ensure cross-sectoral consistency of work and to reach joint positions in the area of supervision of financial conglomerates** contributing to the EC's fundamental **review of FICOD** (Financial Conglomerates Directive) and to the **annual update and publication of the list of identified financial conglomerates**.

Further tasks include the operational deployment of **reporting** templates for **intra-group transactions (IGT)** and **risk concentration (RC)**.



External Credit Assessment Institutions (ECAIs)

The ESAs will continue to pursue regulatory work on ECAIs, **following the mandate** to the Joint Committee under article 136 of **Capital Requirements Regulation (CRR)** to **specify and monitor the correspondence between the relevant credit assessments** issued by an ECAI to the Credit Quality Steps set out in the CRR ("**mapping**").



EBA Priorities

The EBA's Priorities for 2025 – 2027

The EBA's Strategic Priorities for 2025



EBA Priorities 1/2

The EBA's Priorities for 2025 - 2027



The EBA defines its **five strategic priorities** for coming three years (**2025-2027**) in the authority's single programming document (SPD) on the basis of its existing and foreseeable mandates, as well as the outlook for the financial services sector.



Finalise and implement an effective and proportionate **Single Rulebook**



Foster financial stability in an economy transitioning towards **sustainability**



Enable an **integrated reporting system** for enhanced assessment and disclosure



Implement DORA (Digital Operational Resilience Act) oversight and **MiCAR** (Markets in Crypto-assets Regulation) supervision



Focus on innovation for the benefit of consumers, and ensure a smooth **transition to the new AML/CFT framework**



Following on from the multi-annual priorities the EBA has set its **preliminary strategic priorities for 2025**. Priorities **may need to be** further **refined as the year progresses** in light of economic developments and other external drivers that may require adjustments to or a redirection of the EBA's focus.



Focus in the next slide

EBA Priorities 2/2

The EBA's Strategic Priorities for 2025



P1 – Implementing the EU banking package and enhancing the Single Rulebook

The EBA will prioritise its contribution to the timely and faithful **implementation** of the outstanding **Basel III** reforms in the EU to strengthen the regulatory framework by introducing **more risk-sensitive approaches** for credit, market and operational risk and an «**output floor**» which will serve as a backstop for the use of internal model.



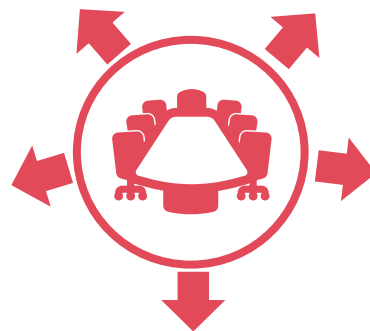
P2 – Enhancing risk- based and forward-looking financial stability for a sustainable economy

The EBA will increase its **focus** on the **impact of changes of interest rates** on the real economy in general and the banking sector in particular, in a context of high inflation and a possible **credit crunch** due to a tightening of credit standards and risk averse behaviour. Moreover, the EBA will work on building its **ESG monitoring framework** to efficiently monitor ESG risks in the banking sector.



P3 - Enhancing data infrastructure and launching the data portal

Contributing to the EU's Supervisory Data Strategy, the implementation of the EBA's own Data Strategy will improve the way regulatory data is acquired, compiled, used, and disseminated to relevant stakeholders, and will strengthen the authority's analytical capabilities.



P4 – Starting oversight and supervisory activities for DORA and MiCAR

By 2025 the EBA expects that, together with the other ESAs (where relevant), it will have **delivered the policy mandates foreseen in MiCAR and DORA**, thereby having contributed to the consistent framework for the regulation of crypto-asset issuance and the digital risk management dimension of the Single Rulebook.



P5 – Developing consumer-oriented mandates and ensuring a smooth transition to the new AML/CFT framework

The EBA will continue to **implement its transition plans** while making sure that the **fight against ML/TF** is not disrupted. As part of this, the EBA will prepare a response to the European Commission's call for advice on key aspects of the new AML/CFT framework and work closely with the European Commission to support competent authorities' changeover plans.

EBA Activities in 2025

Policy and Convergence Work

Risk Assessment and Data



EBA Activities in 2025 1/4

Policy and Convergence Work 1/2

In the following, the EBA sets out its **19 activities** for the year 2025 in order to accomplish the aforementioned objectives.

Activity	Objectives
Activity 1 – Capital, loss absorbency, and accounting	<ul style="list-style-type: none"> ▪ Monitor implementation of regulatory provisions on capital and loss absorbency and provide related reports and guidance to all interested stakeholders ▪ Monitor developments of EU and international levels in the field of accounting and auditing standard setting; monitor the implementation of the main accounting standards like IFRS 9 and interactions with prudential requirements
Activity 2 – Liquidity, leverage, and interest rate risk	<ul style="list-style-type: none"> ▪ Monitor implementation of regulatory provisions on liquidity, leverage risk and interest rate risk and provide related guidance to all interested stakeholders ▪ Continue engagement with stakeholders on measurement and definition of supervisory metrics/tests, in particular in relation to net interest income in the context of the EBA heatmap on IRRBB
Activity 3 – Credit risk (incl. large exposures, loan origination, NPL, securitisation)	<ul style="list-style-type: none"> ▪ Deliver at least 80% of the number of technical standards, guidelines and reports ▪ Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein – taking into consideration the recommendations of the ACP
Activity 4 – Market, investment firms and services, and operational risk	<ul style="list-style-type: none"> ▪ Deliver at least 80% of the number of technical standards, guidelines and reports ▪ Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein – taking into consideration the recommendations of the ACP
Activity 5 – Market access, governance, supervisory review and convergence	<ul style="list-style-type: none"> ▪ Monitor implementation of provisions on market access, governance, supervisory review and convergence and provide related reports and guidance ▪ Deliver at least 80% of the number of technical standards, guidelines, reports ▪ Deliver EBA Roadmap on CRR III / CRD VI in line with timelines given therein - taking into consideration the recommendations of the ACP
Activity 6 – Recovery and resolution	<ul style="list-style-type: none"> ▪ Monitor secondary legislation and identify areas for review ▪ Monitor convergence in the implementation of identified topics of the resolution framework through the EREP

EBA Activities in 2025 2/4

Policy and Convergence Work 2/2

Activity	Objectives
Activity 7 – ESG in supervision and regulation	<ul style="list-style-type: none"> Deliver ESG-related technical standards, guidelines, reports and responses to CfA in line with prescribed deadlines - taking into consideration the recommendations of the ACP Deliver on the EBA Roadmap on sustainable finance Design and implement a framework for monitoring ESG risks across the EU banking sector
Activity 8 – Innovation and FinTech, RegTech and SupTech	<ul style="list-style-type: none"> Monitor financial innovation and identify areas where regulatory or supervisory response might be needed in order to contribute to common supervisory and regulatory approach fostering financial stability and protections of the consumers and providing advice to the co-legislators
Activity 8 continued – DORA	<ul style="list-style-type: none"> Finalise the policy mandates within the set deadlines and taking into consideration the recommendations of the Joint ESA ACP Complete preparatory work to take-up the new tasks conferred to the EBA/ESAs (oversight of critical third-party providers)
Activity 8 continued – MiCAR	<ul style="list-style-type: none"> Completion of preparatory work to take-up the new supervisory tasks conferred to the EBA and execution of the task outside the direct supervision powers, including preparing at the request of NCA's non-binding opinions on the regulatory classification of crypto assets, and exercising intervention powers
Activity 8A – DORA oversight / MiCAR supervision	<ul style="list-style-type: none"> Execution of oversight over Critical ICT Third-Party Providers (CTTPs) Execution of supervision of issuers of significant asset-referenced tokens (ARTs) and e-money tokens (EMTs)
Activity 9 – Payment services, consumer and depositor protection	<ul style="list-style-type: none"> In the area of payment services, contribute to efficient, secure and easy retail payments across the EU, by continuing to contribute to the common interpretation and supervision of the relevant EU Directives and Regulations In the area of consumer protection, foster a consistent and high level of consumer protection across the EU by identifying and addressing consumer detriment in the retail banking sector, monitoring and assessing the retail conduct of financial institutions, and delivering mandates conferred in the EBA Regulation and sectoral EU law Contribute to depositor protection in the event of a bank failure, facilitate cross-border cooperation between deposit guarantee schemes (DGSS), act as a hub for data collection and analysis, and monitoring its financing and resilience
Activity 10 – Anti-money laundering and countering the financing of terrorism	<ul style="list-style-type: none"> Finalise the transition to the EU's new legal and institutional AML/CFT framework To put in place the structures necessary to make close and continuous cooperation between prudential and AML/CFT authorities possible in the fight against financial crime To continue to lead the fight against ML/TF until the transition to the new AML/CFT framework is complete

EBA Activities in 2025 3/4

Risk Assessment and Data

Activity	Objectives
Activity 11 – Reporting and transparency framework	<ul style="list-style-type: none"> ▪ Deliver at least 80% of the technical standards and other products – taking into consideration the recommendations of the ACP
Activity 12 – Risk analysis	<ul style="list-style-type: none"> ▪ Assess risks and vulnerabilities in the EU banking sector ▪ Produce opinions and other work in the macroprudential area
Activity 13 – Stress testing	<ul style="list-style-type: none"> ▪ Develop and implementation of the EU-wide stress test, including the work on top-down stress test - taking into consideration the recommendations of the ACP ▪ Develop the environmental stress test
Activity 14 – Regulatory impact assessments	<ul style="list-style-type: none"> ▪ Prepare analytical impact assessments and/or provide technical support for practically all mandates under priorities 1,2, 3,4, and 5– taking into consideration the recommendations of the ACP ▪ Produce high quality research and technical analysis to improve the analytical quality of EBA outputs (reports and standards, infrastructure for risk analysis, top-down stress testing, supervision of ARTs and TPPs, as well as supervisory reporting) ▪ Run the annual mandatory QIS data collection and Basel III monitoring exercises ▪ Run the Supervisory Benchmarking exercise with its annual credit and market risk data collections and reports
Activity 15 – Data infrastructure and services, statistical tools	<ul style="list-style-type: none"> ▪ Ensure timeliness, completeness and accuracy of data collected and facilitate its use and analysis in the context of EBA's policy, risk analysis, stress testing and transparency work ▪ Enhance Transparency in the banking sector through timely publication of Quarterly Risk Dashboards and other regular/ ad hoc outputs

EBA Activities in 2025 4/4

Governance, Coordination and Support

Activity	Objectives
Activity 16 – EBA governance, international affairs, communication	<ul style="list-style-type: none"> ▪ Enable EBA governing bodies, management and the organisation to plan and run its activities and interaction with relevant stakeholders ▪ Handle the EBA's communication needs and training programme offered to CAs ▪ Execute the EBAs' equivalence assessment programme
Activity 17 – Legal and compliance	<ul style="list-style-type: none"> ▪ Ensure the EBA operates within a sound legal and ethical framework which supports staff and stakeholders in delivering EBA objectives and minimises scope for successful litigation and negative findings of inquiries ▪ Strengthen consistency and effectiveness in supervisory outcomes and effective enforcement of Union law by carrying out peer reviews and follow-up peer reviews, monitoring potential breaches of Union law, contributing to settlement of disagreements between CAs, fostering and monitoring supervisory independence and supporting oversight function under DORA and direct supervision and enforcement under MiCAR ▪ Q&As are answered within 9 months by providing an effective workflow system and regular management reporting and escalation
Activity 18 – Resources (HR and finance)	<ul style="list-style-type: none"> ▪ Achieve at least 95 % execution of the 2024 annual budget and of carried forward appropriations ▪ Achieve at least 95% of the Establishment Plan ▪ Ensure adoption of the 2025 annual budget before 2024 year-end (subject to timely adoption of the EU general budget by the Budgetary authority) ▪ Ensure input of the 2026 budget request to the Commission by 31 January 2024
Activity 19 – Infrastructures (Information technology and Corporate Support)	<ul style="list-style-type: none"> ▪ Prepare next IT Strategy 2026-2030 cycle while completing annual current IT Strategy ▪ Execute strategy to transition EBA AML platform and services to AMLA ▪ Fit out premises to accommodate new tasks (DORA, MiCAR) and hybrid work ▪ Improve environmental performance and reduce carbon footprint

05

Conclusions



Conclusions

Just in Time

ESAs

The 2025 Annual Work Programme from the European Supervisory Authorities (the **ESAs**), outline **key regulatory priorities** and **strategic initiatives** in response to evolving financial markets.

In the context of **challenging macro-financial conditions, with persistent inflation pressure and stagnating EU economic activities**, the Joint Committee will **continue to closely monitor and assess emerging key cross-sectoral risks and vulnerabilities for financial stability**.

The Joint Committee will continue to **focus** on the **areas of consumer and investor protection, retail financial services, and retail investment products** as well as **micro-prudential analyses of cross-sectoral developments**. It will focus on **digital operational resilience, financial conglomerates as well as accounting and auditing**.

EBA

The EBA will, in 2025, address a **large number of mandates covering a variety of aspects** pertaining to the **financial sector**.

As in past years, the authority's current **planning incorporates a significant degree of flexibility** to adapt to changes or new developments. It stands fully available to contribute to such changes or developments when they will be confirmed, such as a **possible reignited focus on a capital markets or savings union**, in close **coordination** and **cooperation** with **other relevant EU institutions**. As is customary, adequate liaison and cooperation with EU and non-EU stakeholders will be key.

Operating with only **slightly increased human and financial resources in 2025** (stemming from DORA and MiCAR, and the review of EMIR), the **EBA needs to carefully prioritise and allocate its staff and funds and reap as many internal and external synergies** as possible.

The **present planning benefits** from changes introduced in the organisation in recent years aimed to **increase agility, to strengthen its planning capabilities, and to adopt modern and efficient technology**. This will **adequately support**, as in previous years, any **need to adjust initial plans** in order to **best respond to evolving circumstances and requests**.

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Advanced **software solutions** for **modelling, forecasting, calculating** metrics and **integrating** risks, all on cloud and distributed in Software-as-a-Service (**SaaS**)

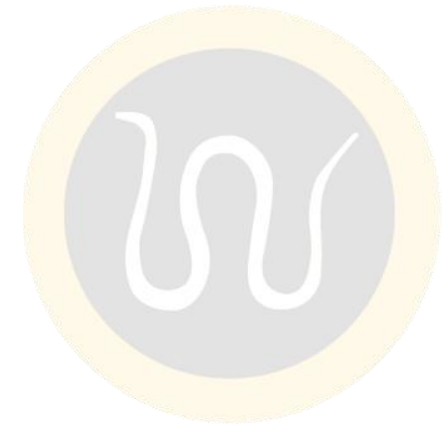
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iason is an international firm that consults Financial Institutions on Risk Management. Iason integrates deep industry knowledge with specialised expertise in Market, Liquidity, Funding, Credit and Counterparty Risk, in Organisational Set-Up and in Strategic Planning.

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This document was prepared in collaboration with Augusto Proietti who at the time was working for Iason Consulting.

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